# HUMAN EVENTS

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**News Section** | *Printed in Two Sections*

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**Inflation—Not Recession:** TV listeners a week ago heard Congressman Kenneth Keating (R.-N.Y.) declare that the voters, come November, would be moved by the specter of inflation rather than by the presence of a recession. No other utterance from Capitol Hill received so many echoes as this during the past week. *The New York Times* reported: "The talk and concern is all about the danger of inflation. It's pretty clear, to many observers at least, that this is the over-riding problem facing the economy." Finally, the Federal Reserve gave its opinion with a boost in the interest rate.

*A vivid scene was enacted in the dismal trappings of the Senate Finance Committee a week ago when Senators Robert Kerr (D.-Okla.) and Harry Byrd (D.-Va.) clashed on the issue of raising social security benefit payments. Byrd remarked tellingly that old people wouldn't get much good out of dollars deflated of their purchasing value. All that Kerr could find to reply was a lame fatalism: "The deflated dollar is the only dollar we've got."*

● More and more members seem impressed with the fact that "social justice" and "human rights" apply not only to unemployed, but also to the plight of the pensioners and retired folks—a much more pitiable spectacle as these people see their pensions and savings diminish while decrepitude and illness close in.

An estimated 17 or 18 million of the population (plus dependents) are subject to these concerns. Therefore, many voters may think of the outgoing 85th Congress as the "dishonest dollar" Congress and call their Representatives to account. In the North, they may well term it the "spendthrift Democratic Congress," for the Democratic leadership on Capitol Hill bears the major responsibility for the fantastic expenditures voted. In the GOP, coattail riders—it is expected—will have to duck, for Ike has done very little to oppose the course chosen by the Democratic policy-makers.

**Mideast Rathole:** President Eisenhower's speech to the UN General Assembly last week confirmed the fears of those who have viewed the Mideast crisis as a golden opportunity for the State Department's experts on global handouts. Ike's suggestion for a regional "Arab development institution," backed by US dollars, is seen as a perfect device for squandering untold billions with minimum effectiveness.

(A HUMAN EVENTS report of a month ago—July 21—foreshadowed this development. Prime consideration of the State Department bureaucracy, it was then stated, "is to keep the Arab bloc 'on our side' by massive giveaway programs. As one Republican legislator put it, 'that's an enormous rathole for foreign aid which seems more important to the bureaucracy than Europe or places like South Korea or Formosa.'" A similar item was carried in HUMAN EVENTS for August 11.)

**Also noted is the haunting similarity of the Ike proposal to a plan that foreign-aid impresario Eric Johnston was attempting to sell back in 1954-55. As a special Ambassador to the Middle East, Johnston cooked up a "regional development" scheme involving countries with an interest in the Jordan River (Israel, Syria, Lebanon and Jordan).**

This idea for a Near East TVA, note observers of the foreign scene, can easily be worked into the program Ike is suggesting now, since the "Arab development institution" would deal specifically with problems concerning water supply, as well as with just about everything else. Was Johnston one of those—ask skeptics—who put the President up to his new scheme?

Those familiar with bureaucratic methods say this is the tactic to watch for when the Arab development boondoggle is kicked off: the globalists will begin by requesting funds to get the ball rolling—relatively small amounts just to assist the efforts of the Arabs themselves. Then, when the program is launched, the funds will be steadily expanded, and the duration of the program stretched out indefinitely. That, say foreign aid critics, is the classic pattern.

**Federal Aid to Education:** The formidable fight of the entrenched educationist forces has astonished everyone in Washington save veterans who have never minimized the resources available to this "damn-the-taxpayer" lobby. These lobbyists have progressed far by concealing their blatant Federal-aid-to-education aims under the phony title of a "National Defense Education Act." The legislation is falsely billed as meeting our "sputnik science" lag by seeming to subsidize scientific scholarship and learning. But in the varying versions of House and Senate bills, Federal control and subsidy of local education stand out clearly.

Conservative opponents of the scheme had hoped that such measures or variants would be buried in the House Rules Committee, headed by conservative Representative Howard Smith (D.-Va.). (Obviously legislation of this sort would not further "defense" one whit, but would provide Federal grants for a series of programs

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the states could carry on without Federal aid.) The conservatives hoped further that the Sherman Adams affair would have reduced the influence of the Palace Guard so much that many fence-sitting Republicans would have recovered the courage to express their underlying opposition to Federal aid.

But conservatives did not reckon with the power of the National Education Association (NEA), and the personnel and "guidance" lobbies. These groups have persistently pressured the grass roots and Congress, ever since the Sputnik paved the way for a "defense" approach to Federal aid. As the legislation began to move through Congress, teachers descended on Washington in droves, dangling their votes before the eyes of legislators. (How much money—asked more than one Congressman—did the NEA spend to bring these teachers to the Capital?) Finally, President Eisenhower's last moment switch, from indifference to active support, turned the trick (to the horror of many Ike followers, who recalled his former statements opposing Federal aid to education).

Representative Smith worked hard against all this. So did Senator Barry Goldwater (R.-Ariz.), who offered an amendment to strike out provisions for "counselling and guidance" (see "Guided Minds: The Promise and the Threat," by Emily Cuyler Hammond, in HUMAN EVENTS for June 9, 1958). Meanwhile, House and Senate members sleepily produced "something" resembling final legislation which may well cost the taxpayer between $900 million and $1.5 billion.

*One gimmick in the House bill would enable educational institutions to borrow directly from the US Treasury, thus bypassing the appropriations committees of Congress—a devious financial device which would keep such sums out of the Budget proper and provide a way of getting more of the taxpayers' money than is apparently asked for by Congress.*

Thus we have legislation for "defense education" without provisions for students to take the courses which would enhance the national defense. Scholarships, loans or fellowships may be obtained not only for study in science and mathematics, but—as Senator Strom Thurmond (D.-S.C.) put it—even for courses in flower arrangement. The legislation waves the American flag with one hand, and with the other opens the doors to the progressive educationists, who will try to seize upon its counselling and guidance programs to "guide" us to their selected goals.

**What Happened in Tennessee:** The major significance of the recent primary in Tennessee is the fact that the Volunteer State has followed right in line with its neighbor Arkansas in revolting against the Supreme Court and the Northern "liberals."

When Tennessee chose Buford Ellington as Democratic candidate for the Governorship, it confirmed the Southern electoral judgment expressed when Arkansas re-elected Governor Orval Faubus. Such is the conclusion of the best observers in the Capital and in Tennessee. (Primary contests in Tennessee, as in most of the South, are the real elections. What happens in November is a foregone conclusion; Republicans are few in Dixie.)

This opinion runs counter to the line of most of the Northern press, which mistakenly interpreted the Tennessee outcome as a victory for "moderation" because "liberal" Senator Gore was re-elected over opposition from a right-winger, former Governor Prentice Cooper.

Ellington, the victor, is an extreme segregationist and won over a "mild" segregationist who got the Negro vote. Not only that: the extreme segregationist vote for Governor approached the figures rolled up in the Faubus victory. Faubus got about 68 per cent of the Arkansas vote—a landslide; Ellington, plus another extreme segregationist gubernatorial candidate, Andrew T. Taylor, got 62 per cent of the Tennessee vote. These two all-out segregationists, according to the statistics, carried seven out of nine Congressional Districts. If Taylor had merged his forces with those of Ellington, the latter would have been hailed as the Faubus of Tennessee.

**Why did the Northern press fall flat on its face in its interpretation? Its commentators forgot—observe the pros—that the capture of the State Capitol, not the Senatorial contest, remains the No. 1 interest of state voters in an off-year election. Washington scribes, unmindful of this fact, naturally showed more interest in which Senator Tennessee would send to the Nation's Capital.**

● Why did the "liberal" Gore win? A number of factors contributed—but decisive was the split among conservative voters in the Senatorial contest. Either Ellington or Taylor would have preferred to have given public endorsement to segregationist candidate Cooper, the right-wing opponent of Gore. But Ellington and Taylor were fighting each other for the top place and they could not risk losing various local segments of the voting population, which for various local reasons leaned to Gore in preference to Cooper. (A number of segregation-minded people voted for Gore.) The pros down there remark: if Ellington had borne the segregationist banner alone, he might have carried Senatorial candidate Cooper along with him to victory.

The real significance of the Tennessee outcome was not lost on the South:

(1) Southern Governors, obviously recognizing that Tennessee confirmed the Democratic split signalled by Faubus two weeks ago, have an early conference scheduled in Kentucky. Could be they'll discuss the possibility of "a Southern President" in 1960. (See "A Southern President?" by John Synon, in HUMAN EVENTS for August 18, 1958.)

(2) The segregationist victory cast a shadow on the chances of Senator Estes Kefauver, who must stand for re-election in 1960. The lesson was not lost on the marathon hand-shaker, who has a "liberal" record. The Capital took due notice of the fact that left-winger Kefauver joined four strongly pro-segregation Southern Senators in voting in the Judiciary Committee against the appointment of Wilson White, nominated by the President as Assistant Attorney General in charge of the "civil rights" division of the Justice Department. White supports the principle of sending troops into the South to enforce Supreme Court decisions.



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**Labor Probe:** One telling footnote to the debate over the Kennedy-Ives labor bill was revealed by Senator Barry Goldwater, appearing on the Manion Forum of Opinion, July 27. Attacking the idea that only a bill acceptable to the union bosses stood a chance of Senate passage, Goldwater pointed up the crucial significance of one flip flop by three of his Senate colleagues. One of the "tough" amendments defeated on the floor, Goldwater noted, would have held labor officials responsible as fiduciaries for union funds entrusted to them. The amendment was defeated by a 47-42 vote. "Not only voting against the amendment," Goldwater pointed out, "but leading the fight on the floor against it, were Senators Kennedy, Ives and Ervin, all three of whom had signed the McClellan Committee's report which included this particular recommendation.

*"Now if these three Senators, instead of talking about the impossibility of getting the Senate to vote in favor of a stronger bill, had joined with us in voting in favor of this particular amendment—mind you, an amendment which they themselves had recommended—the vote would have been 45 to 44 in favor of the amendment instead of 47 to 42 against it and the amendment would now be in the bill, immeasurably strengthening it."*

● The Kennedy-Ives bill still hangs like a Damoclean sword over Members of Congress, many of whom fear the Democratic leadership—always friends of the labor bosses—will try to ram it through by parliamentary tricks. House legislators want the "hoax" bill to be studied and amended by the House Labor Committee. What right, ask indignant legislators, has Speaker Rayburn to bull through such a bill without it going through the essential study and amendment by the committee of the House assigned to this absolutely necessary duty?

Meanwhile, Representative Carroll Kearns (R.-Pa.), one of the most prominent members of this expert committee, has offered a bill to bring about "corrections of failures" in the Kennedy-Ives bill, charging that the American people are being "disgracefully deceived" by the "hoax" bill. Kearns declared: "The Kennedy-Ives bill—which would appease instead of protect the public—was drafted both as an excuse to the people and to enhance the political prestige of the Junior Senator from Massachusetts." The "Junior Senator," Jack Kennedy, is trying to ride a wave of publicity into the Democratic nomination for the Presidency in 1960.

**Red Axis Shifting?** Stirring wide speculation among observers of the foreign scene was the sudden about-face executed recently by Soviet boss Nikita Khrushchev on the subject of a UN Summit Conference, following his Peiping conference with Mao Tse-tung, ruler of Red China. One theory is that Khrushchev said "yes" to the UN idea hastily, then found himself rebuked by the Chinese Reds for thus foreclosing them from participation in the Summit spectacle—ardently desired by all Red despots to shore up their crumbling prestige at home.

Khrushchev's capitulation to Mao could signify a radical shift in the center of Communist power, say analysts of the Kremlin line. Such a development was suggested in a dispatch relayed by HUMAN EVENTS in its issue of June 25, 1955 (when another Summit conference was being incubated). Reproduced in that issue were the startling assertions of the responsible Norwegian weekly newsletter, *Farmand,* edited by Trygve Hoff. Khrushchev and Bulganin, said the story, had risen to power with the backing of the Red Chinese overlords. As a consequence, they made a pilgrimage to Peiping to pay their respects, and Khrushchev sent 300,000 slaves to Asia to provide grain for the Chinese. "Just as the Mongol Khans made the Russian Grand Dukes travel to their capital and go down on their knees before their masters," said *Farmand,* "the Russians have now had to go down on their knees before the Chinese."

An exact repetition of that drama of subservience, say foreign observers, may be what produced Khrushchev's supple back flip of recent weeks.

**Citizens for Eisenhower:** The famous "liberal" organization of that name which attended (but did it help?) the first election of the President seems to have disintegrated and declined to such an extent that it survives as but a small rump group which stubbornly refuses to admit its death. Political scientists comment on this decline and fall in connection with the drop in the fortunes of Modern Republicanism. Regular GOP leaders, however, while expressing gratification at its fast-vanishing power, would prefer to witness its complete burial. While its exchequer is reportedly small and dwindling, it does have permission from Ike to use his name and therefore may still contribute a few complications to the difficult situation of the GOP in the coming campaign.

The Citizens for Ike were, organizationally and financially, behind the cabal to prevent the renomination of Nixon in 1956. This year, they backed the gubernatorial nomination bid of Harold Stassen in Pennsylvania; and, it is rumored, this disastrous course cost the treasury of the group dearly.

The chairman of the Citizens is Lloyd McMahon, a lawyer who has reportedly cherished an ambition to win a Federal judgeship appointment. He makes quite a point of stressing that the Citizens will back a Democrat against a Republican if the GOP candidate does not conform closely with Ike's particular policies *in toto.* Just now, it is expected that the Citizens will back Democratic Congressman George McGovern in South Dakota against former GOP Governor Joseph J. Foss, because the Democrat voted with Ike on defense and trade issues. Similarly, it is expected the Citizens will oppose Congressman James Van Zandt of Pennsylvania because he has not seen eye-to-eye with Ike on certain measures such as foreign aid. At present, McMahon has swung the Citizens to support of Nelson Rockefeller's bid for the gubernatorial nomination in New York.

**The organization (which raised a total of $5 million in '52, '54 and '56) seems to have lost its ability to raise money on a mass basis, although enjoying the backing of Cliff Roberts (Ike's golf crony) and General Lucius Clay. A recent attempt at soliciting former contributors reportedly brought in only $1800.**



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Meanwhile, McMahon, through his dislike for Vice President Nixon, has embroiled himself with the women's section of the organization, led by Mrs. Valley Knudsen of Glendale, Calif. McMahon reportedly wants Henry Cabot Lodge for GOP Presidential nominee in 1960. With the financial backing of Roberts and Sidney Weinberg (Clay's employer) the group may last until November, and can do some minor harm in the interval.

According to the grapevine in Washington, however, campaign contributors are tossing the Citizens' solicitations in the waste basket and sending their money instead to Congressman Richard Simpson's Republican Congressional Committee (Congressional Hotel, Washington, D. C.) and Senator Andrew Schoeppel's Republican Senatorial Committee (Senate Office Building, Washington, D. C.).

**Florida:** Among several contests between left and right in the primary elections taking place across the Nation, the battle between Florida's Democratic Senator Spessard Holland and former Senator Claude Pepper ranks among the most clear-cut. Pepper was knocked out of the Senate, after 15 years there, by George Smathers. The chief issue on which Pepper was then defeated was his many common interests with the Communists.

Pepper's record is dotted with incidents in which he collaborated with the Reds, and in 1946 his leftish activities became so feverish that some of Pepper's fellow Senators believed he was "out to displace Wallace as the left-wing favorite for the Presidential nomination in 1948." (See HUMAN EVENTS for March 27, 1946.)

Further information lately has been forthcoming on Pepper. Broadcaster Fulton Lewis, Jr., recently noted that Pepper had written a highly laudatory introduction to a book called *The Great Conspiracy* (1946), authored by Albert Kahn—identified under oath as a Communist—and Michael Sayres—who has several Red front affiliations.

*The book, Lewis disclosed, was used extensively for brainwashing American prisoners in China and North Korea during the Korean war—no surprise, in view of its thesis: that evil influences in the United States had been plotting against Holy Mother Russia. Senator Pepper's comment: "All of us are debtors to Mr. Kahn and Mr. Sayres for their telling us this story containing so much of pathos and tragedy."*

In contrast to Pepper's crimson past, Senator Spessard Holland has the reputation of a solid conservative. He is respected by Democrats and Republicans alike. Before primary date, September 9, note Floridians, Holland will need all the help he can get to turn back Pepper's vigorous, apparently well-financed campaign.

**Ohio Right to Work:** Proponents of right-to-work legislation point to Ohio as a stirring example of what concerted action by conservatives can achieve in the political arena. Union bosses in this heavily industrialized state were determined to prevent a right-to-work referendum from getting on the ballot. They made their point with a campaign of intimidation designed to scare off petition circulators. As reported in HUMAN EVENTS for June 30, 1958, this tactic began to backfire, producing public indignation at the arrogance of the labor bosses. Last week came the pay off: with 354,210 signatures needed to put the proposal on the ballot, the right to workers came up with 465,180.

Labor forces did not contest the validity of the signatures on the petitions—normally a routine step. The reason, as reported by the Ohio *Labor Forecast and Review:*

**"The public reaction to labor-union tactics of pressure and intimidation against circulators of petitions was so unfavorable that the labor-union leaders in Ohio decided it was a wiser policy to let the right to work get on the ballot and then wage their battle against the constitutional amendment."**

● Also revealed by the Ohio campaign, say sources in the Buckeye State, was the fallacy of arguments that right-to-work proposals are spawned by big business. In Ohio, the referendum was supported by small businessmen, opposed by big business interests.

**Integration:** The HUMAN EVENTS article, "Undermining the Monopoly School System," by Frank Chodorov (August 4, 1958), reported that the Editor of the local paper in Prince Edward County, Virginia, stated that a listing in its columns would serve to "bring into line" residents of the county who did not want to contribute to the upkeep of the private school system being planned against the day that integration is finally ordered there by the courts.

The Editor of the Farmville *Herald,* J. B. Wall, has informed HUMAN EVENTS that this statement must have been a misinterpretation of some remark made by one of his staff. "Our position is so strong," he remarked, "and our course so well founded that such tactics are not needed, and so far as our publication is concerned will not be used against either the white people or the Negroes. We must use logic and the underlying principles of constitutional government. 'One convinced against his will is of the same opinion still.' We will win with logic or we have lost the cause, and God save America."

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Article Section I

# THE STRUGGLE FOR INFLUENCE

## Why the Adams-Goldfine Case Occurred

*By* DOROTHY THOMPSON

IF ONE TRIES to get to the heart of the matter in the Sherman Adams-Bernard Goldfine case (with interpolations by the inimitable Mr. John Fox), it is the judgment attributed to Lord Acton: "All power corrupts, and absolute power corrupts absolutely."

The greater the concentration of power, the more inevitable and ruthless becomes the struggle for influence at the seat of power. Power is primarily political and economic. In our country, in the last half-century and especially in the last 25 years, both powers have been merged, concentrated and centralized at a rate of extreme velocity. Washington is no longer only the seat of the Federal Government. The Government is the largest economic and financial operator in the United States. Every industry in the country is to greater or less extent dependent upon the orders it places with them.

**The Air Force alone (as I have hitherto remarked) is the largest single business in America. Purveying to royal courts always is the most cherished prize of manufacturers in nations that are monarchies, but no court in history, including those of absolute monarchies, has had as many favors to dispense as the Federal Government in Washington.**

This concentration of economic power in the hands of politicians and bureaucrats has led to an enormous proliferation of quasi-judicial agencies and necessitated an immense extension of taxation. The powers of the agencies are not, and probably cannot be, precisely defined. In the field, for instance, of radio and television, the agencies are asked to choose between two bidders (along the general lines of avoiding monopoly) and with a view to the public interest and convenience. But competing stations and networks have a private interest, far keener and goal-directed than the public's, which is not in a position really to know what its interest is. The fight the great networks have waged against subscription television is simply the use of the media they control to rally the public (and even its children) to support their private interests.

Industries, trade unions and even private organizations are advised by swarms of legal experts, public accountants and public-relations counselors to see that they do not run afoul of rules and regulations (often changing), take advantage of every loophole in taxation, and, by forming useful social contacts and associations, build public "characters" to assure official and unofficial esteem.

All this activity in behalf of private protection and public promotion is theoretically "a legitimate business expense," and tax deductible. I have no idea what percentage is added to everything we buy by legal fees, social entertaining and promotional activities, but in absolute figures it must be enormous.

THE AIM OF all Congressmen is to be elected and re-elected. To do this they must have party support from their constituents. But not all constituents are equally important. Important are organized constituents and those who can influence others. Money always has been the greatest common influencer—exceeded only by terror, blackmail, and boycott, which are also employed as political and economic means.

The concentration of political and economic power in government inevitably tends toward concentration of power outside government. It favors the large-scale organization over the small; organized man over individual; the "smart" over the creative; eventually pervades the whole of public life with subtle or brutal corruption, and ends (if history is any guide) in decay, disintegration and the loss of civil and private freedoms.

And this, I submit, is the heart of the matter.

This concentration, by whatever name it calls itself and under whatever "ideology" it operates, is the essence of totalitarianism. Whether or not it culminates in the dictatorship of one man, the system itself is a collective dictatorship of internal great powers, and of bureaucratic institutions against which the individual citizen is quite helpless.

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The sense of helplessness leads to corruption via collaboration — the acquisition of favors by the extension of them. It also leads to the utmost servility. People conform to and collaborate with what they cannot, or think they cannot, successfully oppose. Public behavior adjusts itself as it does to any army of occupation.

The centralization of economic, financial, political, and, of course, police power in a huge interlocking network of Federal agencies and bureaucracies saps the energies of the states and the small communities and, to the extent that it does so, reduces the amount of genuine self-government — if unresisted — to nil. The taxpayer cannot successfully demand an accounting of the funds that deplete his income by from 20 to 95 per cent because budgets are so astronomical that nobody can scrutinize all the details.

It obliterates the lines between political parties. Already in the United States, the voter, as between the Democrats and Republicans, can choose Tweedledum or Tweedledee. On all major issues there is no difference of any substance between them. Each is committed to do more of the same things more efficiently than the other, which means to promote still further this centralization and concentration of power.

IF THE QUESTION of power is the real issue of American freedom — and I believe it is — the citizen, while he is still somewhat a citizen and not wholly a subject, should judge policies according to whether they promote or retard the velocity of the trend toward centralization.

This, to my mind, is the real issue in the question of forcible desegregation in the schools of Southern regions — an issue that was put boldly and lucidly by the eminent Judge Learned Hand in the Oliver Wendell Holmes lectures to the law faculty and students of Harvard University some weeks ago.

Is the Supreme Court to become a "third legislative chamber" or is its business to keep the separated powers (including its own), Federal and state, within their constitutional functions and limits? The issue transcends the question whether it is "good" or "evil," to have all races, in all communities, and under all circumstances, educated together in common and comprehensive schools. The larger question is whether it is better or worse further to extend concentrated Federal control and power into every city, town and village in the land. The question is whether a law that has to be enforced by Federal troops or by fear of occupation by them can possibly be a law for free men of whatever race or color.

*To the first question — whether mixed schools are "good" or "evil" in all communities and under all circumstances — this columnist can give no answer, satisfactory to her own mind, because we have never seen an objective, unprejudiced, unpolitically influenced study of the educational results. But on the second and larger issue of power concentration, we have a very strong, and not "prejudiced," bias, for it is not a prejudgment but based on history and current observation. It is the same bias that we have against all sumptuary laws issued by the great powers of the centralized mechanism and enforced by its agents — such as the prohibition law. We are for local option in every demesne not specifically reserved to the Federal power.*

We know that this is an unpopular view — by which nothing more is meant than that it is against "the trend of the times."

"The trend of the times" always has powerful advocates among those who profit by the trend and are, in fact, at the centers of power. Their direct or indirect command of the media of communication is now so vast that they can (and do) create "popular" waves.

But these whipped-up "waves" may be surface phenomena on deeper waters, wherein the instinct for liberty, tradition, self-realization and personalism slumbers if it does not rumble.

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Dorothy Thompson, through her syndicated newspaper column, has long occupied a prominent place as a commentator on political affairs.


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Vol. XV, No. 33 HUMAN EVENTS August 18, 1958

**Article Section II**

# DO WE BELIEVE IN PRIVATE PROPERTY?
## If So, Enemy Alien Assets Must Be Returned

*By* SENATOR ROMAN L. HRUSKA
*Republican of Nebraska*

IN 1941, when hostilities began between America and the German-Japanese axis, property belonging to citizens of the hostile nations, located inside the United States, was seized by the American Government. Three years after the end of the war, in 1948, Congress passed an amendment to the Trading With the Enemy Act, prohibiting the return of these properties to their rightful owners. Today, 17 years after the original seizure, this denial of private property stands as an affront to the principles which the United States represents, and as a serious obstacle to the flow of international investment.

The greatest roadblock preventing an increase in foreign private investments, both by our own people and those of other countries, results from the growing fear of nationalization and confiscation always urged by the Communists. Such fear is occasioned and justified in no small measure by the precedent that we have set in failing to return the private investments of German and Japanese citizens. Because of our continued failure to correct a legislative mistake made in 1948, we are accused by the Communists — and by those who practice expropriation and confiscation, as urged by the Communists — of preaching the doctrine of the sanctity of private property when it is in our interest, but denying it whenever we deem it expedient to do so. Consequently, there is an ever-growing reluctance on the part of investors everywhere to place their funds in the so-called "underdeveloped" countries, and foreign-aid appropriations for that purpose are made correspondingly larger.

On January 13 of this year, I urged on the floor of the Senate that the United States enact legislation to return promptly the private property seized from German and Japanese citizens during World War II, for three reasons:

1) Because it is right and just that we do so. The sacredness of private property has a deep moral foundation.

2) Because such return is in keeping with our historic national policy.

3) Because such a return is necessary in our own self-interest.

The German and Japanese individuals whose property was seized are in fact only a small portion of the people vitally concerned in the correction of the legislative error made in 1948, whereby the sequestration of enemy alien property was changed to a confiscation thereof.

There are two other major groups vitally concerned: (1) The American citizens who own some $40 billion of American capital invested abroad, and (2) all Americans who want and need a strong foreign policy, an integral part of which is substantial private investment abroad.

Those opposing repeal of the 1948 amendment of the Trading With The Enemy Act have been driven to devices which in the final analysis have the purpose of making it appear that we do not do what we actually are doing. Their principal effort is to prove that confiscation is not confiscation.

ONE OF THE arguments is that this confiscation is not confiscation because the Government of Germany has promised to pay the owners for the property seized. The reservations made by the German Bundesrat in approving this agreement, which referred to many matters other than these private properties, are ignored. Chancellor Konrad Adenauer of the Federal Republic of Germany has always protested the confiscation of these properties. Also ignored is the fact that no such agreement exists as far as the Japanese Government is concerned.

*But the real defect of this argument lies in the novel legal proposition that I can seize your property over your protest and yet avoid responsibility because I obtain an agreement of some third party to pay you for your loss.*

● Another such argument is that we have agreed with others of the allied nations, who have themselves confiscated similar private property, not to return the private property which we have confiscated. It is contended that if we return this private property, we would break faith with our allies. Our Secretary of State, Mr. Dulles,

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has in person rejected this argument before the Subcommittee of the Judiciary Committee in its hearings held on July 1-2, 1954 (page 161). (It might be observed that if one of the allies so protesting was the Netherlands, its present experience in Indonesia might cause it to reconsider. It is also quite possible that England, France and Israel might have a different view because of their late experience in Egypt.) It seems to me that Mr. Dulles' rejection of this argument should be sufficient to refute it, yet some continue to advance it.

*If it is sound it means that the robber can escape the consequences of his crime by making an agreement with his fellow thieves to keep the loot.*

● A third argument in which it is said that confiscation is not confiscation is a variation of the now-rejected theme of collective guilt. This contention is that German and Japanese citizens are responsible for the crimes of Hitler's and Tojo's governments. But we have returned the private property of Italian citizens which we seized. The proponents do not explain why Mussolini's tyranny was different. Moreover, the felon convicted of the most heinous crime is secure in his rightfully acquired property until the penalty resulting from his trial lawfully provides otherwise. The existing legislation imposes the penalty without the trial.

We must fully and completely adhere to the principle of the sanctity of private property. In doing so, we must also reject the thesis that this return is a matter of grace.

Will our investors in the oil fields of the Middle East be content or be protected in their ownership if it is dependent on such vagaries as the "grace" of particular governments?

Will our investors in the chemical, utility or other industries in South America or elsewhere be content or be protected if the United States continues to provide a precedent which holds that investors here must be satisfied if they are arbitrarily forced to accept 20, 40, 66 or 88 per cent of the value of what they own?

This return of alien property may cost money. But it concerns an obligation of the United States created by the trust which Alexander Hamilton long ago described, the trust by which the United States undertakes to protect the ownership of the foreigner who places his assets within our shores. It is not a matter of choice in which we are free to decide whether or not we will incur some new obligation. It is a matter of discharging an obligation already incurred. To refuse to honor this obligation would be the same as to refuse to pay some Government bond owner when his debt is due.

Because of the profound implications of this general subject and of the vital national concern involved, I have done extensive research, not only from the legal point of view, but in regard to traditional and moral considerations. My conclusions, briefly summarized, are as follows:

1) Since the beginning of the United States until the 1948 legislation already referred to, this principle has uniformly been applied by the United States to the property of enemy aliens.

2) By reason of treaties to which the United States is a party, the confiscation of private property on the battlefield is prohibited. Thus the effect of the 1948 Trading With The Enemy Act Amendment is to impose a lower standard for treatment of private property behind the front than is required of our soldiers on the battlefield. American practice during the entire life of our Nation has been based upon the doctrine that acts of war against private enemy property are justified only when permitted by the principle of military necessity.

3) Every significant author in the field of international law in the Anglo-Saxon World in the nineteenth and twentieth centuries has held that international usage or international law forbids the confiscation of private enemy alien property.*

4) The right of private property rests on religious and moral foundations. It is as old as the Judean and Christian religions. The right of private property is ingrained in the philosophy of the Western world as a basic ingredient of the right to be free. It is the principle upon which the entire free enterprise system rests.

* A subsequent editor of the textbook of one of these authors, in direct opposition to the position of the original author, condones confiscation. This editor himself, however, has said that the change he has made has resulted from the influence of Communist doctrine.

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